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Westly Clamps Down on Delinquent Taxpayers

EDS: Statistics by City are Available

SACRAMENTO – State Controller and Franchise Tax Board Chair Steve Westly today notified 30,000 California businesses, which earned income but did not file state tax returns, to pay what they owe or face penalties.

“We will keep clamping down on corporate tax cheats to ensure they pay their fair share,” Westly said. “Honest taxpayers shouldn’t have to pay more because corporate cheats break the rules.”

According to the Franchise Tax Board (FTB), honest taxpayers pay as much as 20 percent more to make up the difference for those who cheat.

Each year the FTB reviews corporate income records from the Internal Revenue Service, the State Employment Development Department, the State Board of Equalization, employers, and banks. The FTB compares the income data with its database of tax returns filed to identify businesses that should have filed taxes but didn’t. Today’s action relates to tax returns that should have been filed for the 2004 tax year.

The FTB will notify the 30,000 businesses that they must file their overdue tax returns in 30 days or justify why filing is unnecessary. Businesses ignoring the notice face tax assessments with penalties and fees of up to 50 percent of the taxes owed.

A similar FTB program detects individual taxpayers who earned income but didn’t file returns. That program annually identifies about 800,000 people and collects nearly \$500 million.

Westly said California does not collect \$6.5 billion owed in taxes every year. Westly has led collection programs and tax cheat crackdowns that have brought in more than \$5 billion to the State.

Businesses receiving the FTB notice may find information at www.ftb.ca.gov/inc or by calling (800) 478-7194.

Please see [attached county statistics](#).

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COUNTY	# of Demand Letters
ALAMEDA	680
ALPINE	Unavailable
AMADOR	Unavailable
BUTTE	40
CALAVERAS	Unavailable
COLUSA	Unavailable
CONTRA COSTA	437
DEL NORTE	
EL DORADO	66
FRESNO	172
GLENN	Unavailable
HUMBOLT	10
IMPERIAL	20
INYO	Unavailable
KERN	128
KINGS	Unavailable
LAKE	10

COUNTY	# of Demand Letters
LOS ANGELES	7,380
MADERA	14
MARIN	191
MARIPOSA	Unavailable
MENDOCINO	20
MERCED	24
MONO	Unavailable
MONTEREY	95
NAPA	47
NEVADA	43
ORANGE	2,255
PLACER	319
PLUMAS	Unavailable
RIVERSIDE	809
SACRAMENTO	401
SAN BENITO	11
SAN BERNARDINO	662

COUNTY	# of Demand Letters
SAN DIEGO	1850
SAN FRANCISCO	587
SAN JOAQUIN	130
SAN LUIS OBISPO	67
SAN MATEO	396
SANTA BARBARA	148
SANTA CLARA	1,046
SANTA CRUZ	94
SHASTA	39
SIERRA	Unavailable
SISKIYOU	11
SOLANO	96
SONOMA	134
STANISLAUS	105
SUTTER	16
TEHAMA	20
TULARE	54

COUNTY	# of Demand Letters
TUOLUMNE	11
VENTURA	398
YOLO	62
YUBA	unavailable